GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3890
ANSWERED ON:22.03.2001
TERMINATION OF DEALERSHIPS
RAMESH CHAND TOMAR

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government have directed termination of dealers after considering the reply of dealers in response to show cause notice;

(b) the appellate authority against the termination orders issued by the GM/ED of Oil Corporations;

(c) whether there is a provision of recovering the suspected/ doubtful proven adulterated petrol and HSD by the oil corporations for upgrading these products after resisting of same depots/terminals in case of termination of some dealership;

(d) whether this provision is followed up by the oil corporations strictly to avoid the selling of adulterated products in the market; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (e) : The information is given in the statement at Annexure.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA UNSTARRED QUESTION NO. 3890 ANSWER ON THE 22ND MARCH, 2001 REGARDING TERMINATION OF DEALERSHIPS.

(a) : Government has directed oil companies from time to time to take action against retail outlet dealers under the dealership agreement who are found indulging in malpractices/ irregularities.

(b) : A dealer who is aggrieved by the termination of his dealership can invoke the provision contained in the dealership agreement for arbitration.

(c) to (e) : In case of proven adulteration the product (MS/HSD) is taken back by the Oil Company to the nearest locations where separately storage facilities for handling such adulterated products are available. The product will be corrected in consultation with the Quality Control Department of the region.The entire expenses towards transportation, pumping of the product, tank cleaning, incidental charges etc. will be borne by the dealer. In case, where the product is upgraded to MS or downgraded to HSD, the dealer will be paid an amount equivalent to the cost of HSD.In case where the product is downgraded to other than HSD, the dealer will be paid an amount equivalent to the cost of the downgraded product. The credit will, however, be given only for the quantity actually upgraded/downgraded. Any loss etc. will be borne by the dealer.